UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2019   Docket No. ACR2019

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued January 13, 2020)

To clarify the basis of information provided by the Postal Service in its FY 2019 Annual Compliance Report (ACR), filed December 27, 2019,[1] the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than January 21, 2020.

Special Services

1.   Please refer to Library Reference USPS-FY19-4, December 27, 2019, Excel file "FY19 Special Services PRC.xlsx" (Billing Determinants), Library Reference USPS-FY19-42, December 27, 2019, Excel file "EOY_FY2019_RPWsummaryreport_public.xlsx" (RPW), and the following table:

Special Services Product	RPW Volume	Billing Determinant Volume	Difference (RPW minus Billing Determinants)
Delivery Confirmation/USPS Tracking	5,422,411	2,265,587	3,156,824
Insurance	14,347,935	14,347,879[2]	56
Post Office Box Service	5,637,930	5,666,078	(28,148)

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[1] United States Postal Service FY 2019 Annual Compliance Report, December 27, 2019 (FY 2019 ACR).

[2] This number can be calculated by taking the total of Insurance from Excel file "FY19 Special Services PRC.xlsx," tab "F-3 Insurance," cell G64, and subtracting the total for Restricted Delivery in cell G60 from it.

a.   The table above reflects multiple discrepancies between the Revenue, Pieces and Weight (RPW) volumes and the billing determinant volumes in the volume totals for the following Special Services products: Delivery Confirmation/USPS Tracking, Insurance, and Post Office Box Service. Please reconcile these discrepancies.

b.   Please resubmit the annual Special Services Billing Determinants linked to the quarterly files. Please include the four individual quarterly Billing Determinants files and one aggregate file in your submission.

First-Class Mail Service Performance

2.   Please provide the national level percentages of First-Class Mail Single-Piece Letters/Postcards that were transported using air transit and ground transit. These results should be for Fiscal Quarters 1, 2, 3, 4, "mid-year,"[3] "second-half,"[4] and annually[5] for FY 2019. Please present results for each service standard (2-Day versus 3-5-Day) separately.

3.   Please refer to Library Reference USPS-FY19-29, December 27, 2019, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," tab "Q1_PFCM."

a.   Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure.

b.   If part a. of this question is not confirmed, please explain.

c.   Please provide definitions and the hierarchy for assignment and assessment for the full set of root causes for First-Class Mail Presorted Letters/Postcards and presorted First-Class Mail Flats, including each type of "Root Cause" appearing in tab "Q1_PFCM," column B. In the response,

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[3] Mid-year refers to the aggregation of the data for Quarters 1 and 2 of the applicable fiscal year.

[4] Second-half refers to the aggregation of the data for Quarters 3 and 4 of the applicable fiscal year.

[5] Annually refers to the aggregation of the data for all four fiscal quarters of the applicable fiscal year.

please indicate if each root cause applies to letter-shaped and/or flat-shaped mail.

d.   Please explain how these data were calculated.

e.   Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.

f.   Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.

4.   Please refer to Library Reference USPS-FY19-29, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," tab "Q1_SPFC."

a.   Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure.

b.   If part a. of this question is not confirmed, please explain.

c.   Please provide definitions and the hierarchy for assignment and assessment for the full set of root causes for First-Class Mail Single-Piece Letters/Postcards and single-piece First-Class Mail Flats, including each type of "Root Cause" appearing in tab "Q1_ SPFC," column B. In the response, please indicate if each root cause identified applies to letter-shaped and/or flat-shaped mail.

d.   Please explain how these data were calculated.

e.   Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.

f.   Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.

5.   Please refer to the data provided by the Postal Service in response to item 2, subparts a through g, of the directive appearing in Docket No. ACR2018, Annual Compliance Determination, April 12, 2019, at 172 (FY 2018 ACD).[6]

    a.   Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure.

    b.   If part a. of this question is not confirmed, please explain.

    c.   Please explain how these data were calculated.

    d.   Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.

    e.   Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.

6.   Please confirm that the Postal Service is unable to quantify the impact on FY 2019 service performance scores for First-Class Mail attributed to critically late trips (CLTs) or the air capacity gap.[7] If not confirmed, please provide quantification(s) and an explanation of the calculation(s).

USPS Marketing Mail Service Performance

7.   Please refer to Library Reference USPS-FY19-29, Excel file "FY19 Marketing Mail Root Cause.xlsx," tab "Marketing – Root Causes."

    a.   Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure.

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[6] Library Reference USPS-FY19-29, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," tabs "Q2a," "Q2b," "Q2c," "Q2d," "Q2d_air," "Q2d_surface," "Q2e," "Q2f," and "Q2g."

[7] *See* Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-15, 17-50 of Chairman's Information Request No. 1, January 11, 2019, question 31-32 (Docket No. ACR2018 Responses to CHIR No. 1).

b.   If part a. of this question is not confirmed, please explain.

c.   Please provide definitions and the hierarchy for assignment and assessment for the full set of root causes for USPS Marketing Mail, including each type of "Root Cause" appearing in tab "Marketing – Root Causes," column F.

d.   Please identify which USPS Marketing Mail products are included in these data.

e.   Please explain how these data were calculated.

f.   Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.

g.   Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.

8.   The Postal Service describes that headquarters instructs and trains local site management and craft personnel to process USPS Marketing Mail in First-In-First-Out (FIFO) order, run to daily processing capacity, comply with the Run Plan Generator (RPG), stage and scan mailpieces correctly, and use visualization and analytical tools.[8] Please provide a narrative response explaining how the Postal Service ensures that local sites adhere to this training and instruction. In the response, please provide examples of any best practices and/or lessons learned that drive compliance, if applicable.

9.   The Postal Service states that "[h]eadquarters has created heat maps to enable sites to see the patterns and correlations between their efforts and their scores."[9] Please provide a narrative response explaining how the Postal Service ensures that local sites take action to correct or abate failures. In the response, please

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[8] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 14.

[9] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 15.

provide examples of any best practices and/or lessons learned that drive compliance, if applicable.

10.   For each End-to-End USPS Marketing Mail product with a 6-10-day service standard, please provide the volume and the percentage based on the total USPS Marketing Mail volume that is End-to-End and has a 6-10-day service standard for FY 2019.[10]

Periodicals Service Performance

11.   Please confirm that the Postal Service is unable to quantify the impact on FY 2019 service performance scores for Periodicals.[11] If not confirmed, please provide such quantification and explain how it was calculated.

12.   Please explain what methods, metrics, and processes the Postal Service utilized to determine the top root causes for Periodicals products not meeting service targets in FY 2019.

13.   The Postal Service describes that it continues to work to ensure that local sites process Periodicals in FIFO order, run to daily processing capacity, comply with the Run Plan Generator (RPG), use visualization and analytical tools such as the Grid, and minimize Work in Process (WIP) cycle time.[12] Please provide a narrative response explaining how the Postal Service ensures that local sites adhere to these operational requirements. In the response, please provide examples of any best practices and/or lessons learned that drive compliance, if applicable.

Package Services Service Performance

14.   Please confirm that the Postal Service is unable to quantify the impact on FY 2019 service performance scores for Bound Printed Matter (BPM) Flats and

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[10] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 36.

[11] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 37.

[12] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 18.

Media Mail/Library Mail.[13] If not confirmed, please provide such quantification and explain how it was calculated.

15.   Please explain what methods, metrics, and processes the Postal Service utilized to determine the top root causes for BPM Flats and Media Mail/Library Mail not meeting service targets in FY 2019.

16.   Please provide the volume and percentage of BPM Flats and Media Mail/Library Mail that were manually processed in FY 2019.[14]

17.   As part of its plan to improve service performance, the Postal Service states that it "continues to review the entry and make-up requirements for BPM Flats and Media Mail."[15]

   a.   Please describe any changes to the entry and make-up requirements that were implemented in FY 2019.

   b.   For any changes to the entry and make-up requirements to address service performance that are planned or pending review, please describe the planned change, identify the problem that the change is expected to remediate, and provide an estimated timeframe for implementation.

18.   As part of its mitigation plan for BPM Flats service performance for FY 2020, the Postal Service states that it will focus on "reduc[ing] the actual entry time (AET) of mailing to first automation scan, thereby reducing the WIP cycle time for machine compatible pieces."[16] Please explain how the Postal Service intends to measure local sites' achievement of this operational goal.

19.   Please quantify the volume and percentage of BPM Flats that were advanced to day zero in FY 2019.[17]

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[13] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 40.

[14] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 42.

[15] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 25.

[16] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 25.

[17] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 44.

Service Performance Measurement Systems

20. For each of the following statements, please provide all data used for comparison—including supporting reasons and analysis. If the basis for any of the statements is quantitative, please include a description of the methodology used to develop this comparison.[18] If the basis for any of the statements is qualitative, please provide a narrative justification for the comparison.

   a. For USPS Marketing Mail service performance, "five of the nine products improved in FY 2019 compared to FY 2018."[19]

   b. For Periodicals service performance, "there was improvement between FY 2018 and FY 2019."[20]

21. Please provide the percent of Market Dominant mail measured by Full-Service Intelligent Mail Barcode (IMb) in FY 2019 disaggregated by mail class (*e.g.*, FirstClass Mail, USPS Marketing Mail, Periodicals, and Package Services).[21] Please present results disaggregated by fiscal quarter and the total for the fiscal year.

22. Please provide the information requested in the following table for FY 2019.[22]

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[18] *See* Docket No. PI2015-1, Order Approving Use of Internal Measurement Systems, July 5, 2018, at 63 (Order No. 4697).

[19] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 14.

[20] Library Reference USPS-FY19-29, file "FY19-29 Service Performance Report.pdf," at 18.

[21] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 49.

[22] *See* Docket No. ACR2018 Responses to CHIR No. 1, question 50.

Product	Percentage of Mail in Measurement	Percentage of Mail entered at Full-Service IMb prices and included in measurement	Percentage of Mail Processed as Full-Service IMb, but excluded from measurement
First-Class Mail			
Presorted Letters/Postcards			
Flats			
USPS Marketing Mail			
High Density and Saturation Letters			
High Density and Saturation Flats/Parcels			
Carrier Route			
Letters			
Flats			
EDDM-Retail			
Parcels			
Total USPS Marketing Mail			
Periodicals			
In-County			
Outside County			
Package Services			
Bound Printed Matter Flats			
N/A = Not Applicable			
Not Available = The Postal Service does not have this information available.			

By the Chairman.

Robert G. Taub